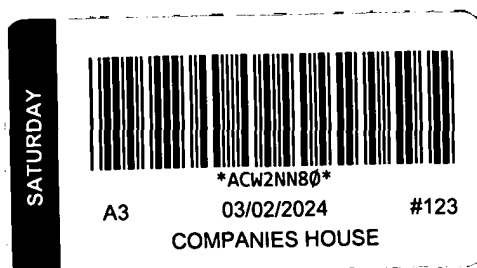


Registered number: 11878670

CARE UK PROPERTY HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023



CARE UK PROPERTY HOLDINGS LIMITED

COMPANY INFORMATION

Directors	M Rosenberg A Knight R Pearman J Calow
Registered number	11878670
Registered office	Connaught House 850 The Crescent Colchester Business Park Colchester Essex CO4 9QB
Independent auditor's	KPMG LLP 20 Station Road Cambridge CB1 2JD
Bankers	National Westminster Bank 10 Station Road Clacton-on-Sea CO15 1TA

CARE UK PROPERTY HOLDINGS LIMITED

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CARE UK PROPERTY HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2023

Introduction

The directors are pleased to present their Strategic Report for the financial year ending 30 September 2023.

Care UK Property Holdings Limited is a subsidiary of Care UK Holdings Limited ("Care UK") Group.

Care UK Property Holdings Limited "the Group" was established in order to manage the design and build of residential care homes to Care UK's specifications using third party building contractors. In each case an agreement for lease and development with Care UK is entered into as well as an operational lease for each such home on its practical completion.

Bridgepoint Europe IV (Nominees) Limited holds 78.7% of the issued ordinary share capital that carries voting rights within Care UK Holdings Limited, as nominee for Bridgepoint Europe IV "A" LP, Bridgepoint Europe IV "B" LP, Bridgepoint Europe IV "C" LP, Bridgepoint Europe IV "D" LP, Bridgepoint Europe IV "E" LP, Bridgepoint Europe IV "F" LP and Bridgepoint Europe IV "G" LP (together the "BEIV Fund"). The BEIV Fund is managed by Bridgepoint.

Business review

The loss for the year, after taxation, amounted to £3,525,000 (2022: loss of £54,000).

The Key Performance Indicators (KPIs) used by the company to measure performance are number of sites in construction, number of sites completed and now rented and the number of deposits paid on sites with planning pending. At the balance sheet date the KPIs were as follows:

	FY23	FY22
Sites in construction or land acquired	4	3
Sites completed and now rented	6	3
Land acquired on sites with planning permission	3	4
Deposits paid on other sites with planning pending	-	1

Revenue earned during the year was £3.7m (2022: £5.1m) and an operating loss was incurred of £0.3m (2022: operating profit £1.0m). The decrease in revenue primarily relates to the transfer of six subsidiaries to another entity within the wider Care UK Holdings Group to facilitate a refinancing in 2022.

As at 30 September 2023 the group had tangible assets of £122.2m (2022: £82.2m), consisting primarily of freehold property and assets in the course of construction. The Group's net debt was £48.8m (2022: £38.4m), with headroom on the Revolving Credit Facility of £44.6m (2022: £80.7m).

The directors expect the pipeline of development opportunities to continue in the coming years and are confident about the future prospects of the Group.

Revenue for the Group (rental income) is generated from leases with Care UK Community Partnerships Limited which is showing strong trading results.

CARE UK PROPERTY HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

Principal risks and uncertainties

The market sector in which the business operates is subject to a number of risks. The principle areas are:

Credit Risk

The main financial asset of the group is cash. We limit the credit risk associated with cash balances by only using banks with high credit ratings assigned by international credit ratings agencies. The directors of the Group have secured a £112m loan facility (split across two reputable banking institutions) in order to continue development activities. Management continue to monitor cash requirements closely.

Liquidity Risk

The Group monitors cash on a daily basis and produces regular cashflow forecasts, the objective being to ensure an overall neutral or positive cashflow and to ensure sufficient liquidity is available to meet forecasted needs. The directors continuously review and monitor the risks the group faces. It is our goal that any changes in our risk profile are identified early so actions can be taken to manage the group's exposure at the earliest possible opportunity.

Inflation Risk

The Group has exposure to inflation risks, notably relating to increased material, labour and contract costs on its build program and any related supply issues. The directors monitor costs incurred by the Group closely to mitigate this risk.

Interest Rate Risk

The Group's financing is linked to SONIA, a variable rate, and is therefore subject to interest rate risk. The directors monitor interest rate risks carefully and consider alternative funding strategies as required.

CARE UK PROPERTY HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

Directors' statement of compliance with duty to promote the success of the Group

Section 172 (1) Statement

Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders and other matters in their decision making. The directors continue to have regard to the interests of the Group's employees and other stakeholders, including the impact of its activities on the community, the environment and the Group's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the directors consider what is most likely to promote the success of the group for its members in the long term.

During the year ended 30 September 2023 the key decisions made by the board of directors which were determined to have a long term impact on the business were:

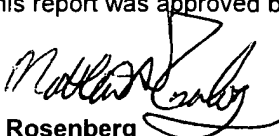
- The board decided to continue to pursue new developments.
- The directors have engaged in discussions on how best to continue the financing of the Group, notably through obtaining additional financing through a specialised property financing provider and transferring three subsidiaries within the Group to another Care UK entity to facilitate this in early 2024.
- The board made the decision to draw down on a loan from another company within the wider Care UK Holdings Group.
- The board made the decision to accept part repayment of a loan from another company within the wider Care UK Holdings Group.

Conclusion

Care UK Property Holdings recognises the potential impact of these key decisions on our business operations. Our corporate responsibility is to provide long term prosperity to stakeholders by balancing the social, economic and environmental choices we make. We actively promote safe ethical and sustainable working practices.

At the year end Care UK Property Holdings Group had cash reserves of £17.2m (2022: £5.8m) and net assets of £105.9m (2022: £109.5m). The Group's subsidiary companies show a healthy pipeline of planned developments for 2024 and beyond and will continue to invest in order to support the subsidiaries as they continue to develop future care homes. Most importantly as these opportunities present themselves the directors remain committed to the disciplines and controls that are in place, namely acquiring the right sites in the right geographical location at the right price. Strict adherence to these principles will continue to be the bedrock for the long term success of the group.

This report was approved by the board on 24 January 2024 and signed on its behalf.


M Rosenberg
Director

CARE UK PROPERTY HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2023

The directors present their report and the financial statements for the year ended 30 September 2023.

Results and dividends

The loss for the year, after taxation, amounted to £3,520,000 (2022 - loss £54,000).

During the period a dividend of £nil (2022: £1,630,000) was paid.

Directors

The directors who served during the year and subsequent to the year end until signing were:

M Rosenberg
A Knight
R Pearman
J Calow

Charitable and Political contributions

The group has made no charitable or political donations or incurred any political expenditure during the year (2022: £nil).

Future developments

The group continues to look to expand and explore new opportunities with an extensive pipeline of potential new developments under consideration.

Engagement with suppliers, customers and others

It is recognised that it is essential for the continued success and reputation of the group to maintain positive relationships with our tenant, suppliers, subcontractors and our financing partners.

The group regularly reviews how it engages with its principal stakeholders. This is achieved through the transfer of information provided by senior management and by direct engagement with the stakeholders themselves.

One of the fundamental and overriding principles in the governance of the group is that of ensuring transparent conduct which reflects the fairness in all dealings with its stakeholders whilst having due consideration for the wider community and environment.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Group has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as, in the opinion of the directors, it is not relevant.

Director's indemnity provisions

The directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

CARE UK PROPERTY HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Disclosure of information to auditor's

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

Between the year end and the signing of these financial statements the following events occurred:

Four subsidiaries were transferred to another entity within the wider Care UK Holdings Group to facilitate a financing arrangement.

Auditors

The auditors, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 24 January 2024 and signed on its behalf.



M Rosenberg
Director

CARE UK PROPERTY HOLDINGS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and parent Company financial statements in accordance with UK accounting standards and applicable law UK Generally Accepted Accounting Practice.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CARE UK PROPERTY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARE UK PROPERTY HOLDINGS LIMITED

Opinion

We have audited the financial statements of CARE UK PROPERTY HOLDINGS LIMITED ("the Company") for the year ended 30 September, 2023 which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion

CARE UK PROPERTY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARE UK PROPERTY HOLDINGS LIMITED (CONTINUED)

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risk of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate incentive or pressure to commit fraud or to provide opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Group's high level policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud
- Reading board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by the auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition as all income received is rental income which is simple in nature. We did not identify any additional fraud risk.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included cash journals posted to unrelated accounts; and journals with certain descriptions, which may indicate high risk.

CARE UK PROPERTY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARE UK PROPERTY HOLDINGS LIMITED (CONTINUED)

Identifying and responding to risk of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and we assessed the extent of companies with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standard. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the director's report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

CARE UK PROPERTY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARE UK PROPERTY HOLDINGS LIMITED (CONTINUED)

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Director's responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Emma Larcombe (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

20 Station Road
Cambridge
CB1 2JD

30 January 2024

CARE UK PROPERTY HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Note	2023 £000	2022 £000
Turnover	4	3,726	5,062
Gross profit		3,726	5,062
Administrative expenses		(4,258)	(3,553)
Non recurring items	13	-	(254)
Other operating income	5	213	(276)
Operating (loss)/profit	6	(319)	979
Interest receivable and similar income	9	899	1,280
Interest payable and similar expenses	10	(3,657)	(2,651)
Loss before tax		(3,077)	(392)
Tax on loss	11	(448)	338
Loss for the financial year		(3,525)	(54)
Other comprehensive income for the year			
Total comprehensive income for the year		(3,525)	(54)
Profit for the year attributable to:			
Owners of the parent company		(3,525)	(54)
		(3,525)	(54)

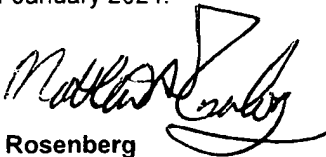
The notes on pages 21 to 42 form part of these financial statements.

CARE UK PROPERTY HOLDINGS LIMITED
REGISTERED NUMBER: 11878670

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	14	(32)	(37)
Tangible assets	15	122,205	82,156
		<u>122,173</u>	<u>82,119</u>
Current assets			
Debtors	17	37,892	70,998
Cash at bank and in hand	18	17,191	5,804
		<u>55,083</u>	<u>76,802</u>
Creditors: amounts falling due within one year	19	(5,829)	(7,313)
Net current assets		<u>49,254</u>	<u>69,489</u>
Total assets less current liabilities		<u>171,427</u>	<u>151,608</u>
Creditors: amounts falling due after more than one year	20	(65,440)	(42,156)
Provisions for liabilities			
Deferred tax	22	(60)	-
		<u>(60)</u>	<u>-</u>
Net assets		<u>105,927</u>	<u>109,452</u>
Capital and reserves			
Profit and loss account	24	105,927	109,452
		<u>105,927</u>	<u>109,452</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 January 2024.


M Rosenberg
 Director

The notes on pages 21 to 42 form part of these financial statements.

CARE UK PROPERTY HOLDINGS LIMITED
REGISTERED NUMBER: 11878670

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	Note	2023 £000	2022 £000
Fixed assets			
Investments	16	9,600	9,600
		<u>9,600</u>	<u>9,600</u>
Current assets			
Debtors	17	100,737	99,838
Cash at bank and in hand	18	9,393	1,281
		<u>110,130</u>	<u>101,119</u>
Creditors: amounts falling due within one year	19	(9,464)	(395)
Net current assets		<u>100,666</u>	<u>100,724</u>
Total assets less current liabilities		<u>110,266</u>	<u>110,324</u>
Creditors: amounts falling due after more than one year	20	23	-
Net assets excluding pension asset		<u>110,289</u>	<u>110,324</u>
Net assets		<u><u>110,289</u></u>	<u><u>110,324</u></u>
Capital and reserves			
Profit and loss account brought forward		110,324	100,890
Loss for the year		(35)	(111,481)
Other changes in the profit and loss account		-	120,915
		<u>110,289</u>	<u>110,324</u>
Profit and loss account carried forward		<u><u>110,289</u></u>	<u><u>110,324</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 January 2024.

M Rosenberg
Director



The notes on pages 21 to 42 form part of these financial statements.

CARE UK PROPERTY HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 October 2022	-	109,452	109,452
Loss for the year	-	(3,525)	(3,525)
At 30 September 2023	-	105,927	105,927

The notes on pages 21 to 42 form part of these financial statements.

CARE UK PROPERTY HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 October 2021	122,545	(11,409)	111,136
Loss for the year	-	(54)	(54)
Dividends: Equity capital	-	(1,630)	(1,630)
Capital reduction	(122,545)	122,545	-
At 30 September 2022	-	109,452	109,452

The notes on pages 21 to 42 form part of these financial statements.

CARE UK PROPERTY HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Profit and loss account	Total equity
	£000	£000
At 1 October 2022	110,324	110,324
Loss for the year	(35)	(35)
At 30 September 2023	110,289	110,289

The notes on pages 21 to 42 form part of these financial statements.

CARE UK PROPERTY HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 October 2021	122,545	100,890	223,435
Comprehensive income for the year			
Loss for the year	-	(111,481)	(111,481)
Contributions by and distributions to owners			
Dividends paid	-	(1,630)	(1,630)
Capital reduction	(122,545)	122,545	-
At 30 September 2022	-	110,324	110,324

The notes on pages 21 to 42 form part of these financial statements.

CARE UK PROPERTY HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	2023	2022
	£000	£000
Cash flows from operating activities		
Loss for the financial year	(3,525)	(54)
Adjustments for:		
Amortisation/impairment of intangible assets	(5)	(1,465)
Depreciation of tangible assets	1,840	2,419
Profit on disposal of tangible assets	(213)	-
Interest paid	3,657	2,651
Interest received	(899)	(1,280)
Taxation charge/(credit)	448	(338)
Decrease in debtors	1,785	1,678
Increase/(decrease) in creditors	5	(161)
Corporation tax (paid)	(34)	(371)
Loss on disposal of subsidiaries	-	1,527
Net cash generated from operating activities	3,059	4,606
Cash flows from investing activities		
Purchase of tangible fixed assets	(42,368)	(24,407)
Sale of tangible fixed assets	452	-
Sale of unlisted and other investments	-	(1,323)
Interest received	29	-
Net cash from investing activities	(41,887)	(25,730)
Cash flows from financing activities		
New secured loans	24,121	10,497
Repayment of loans	(963)	(3,144)
Repayment of group undertaking loans	29,970	-
Dividends paid	-	(1,630)
Interest paid	(2,913)	(3,653)
Net cash used in financing activities	50,215	2,070
Net increase/(decrease) in cash and cash equivalents	11,387	(19,054)
Cash and cash equivalents at beginning of year	5,804	24,858
Cash and cash equivalents at the end of year	17,191	5,804

CARE UK PROPERTY HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	2023	<i>2022</i>
	£000	<i>£000</i>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	17,191	<i>5,804</i>
	<u>17,191</u>	<u><i>5,804</i></u>

CARE UK PROPERTY HOLDINGS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	At 1 October 2022 £000	Cash flows £000	At 30 September 2023 £000
Cash at bank and in hand	5,804	11,387	17,191
Debt due after 1 year	(42,156)	(23,284)	(65,440)
Debt due within 1 year	(2,041)	1,477	(564)
	<u>(38,393)</u>	<u>(10,420)</u>	<u>(48,813)</u>

The notes on pages 21 to 42 form part of these financial statements.

CARE UK PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. General information

Care UK Property Holdings Limited ("the company") is a private company, limited by shares and is incorporated and domiciled in England and Wales.

The company is also a wholly owned subsidiary of Care UK Midco Limited, which is also registered and domiciled in England and Wales.

The Consolidated Financial Statements of the company for the period ended 30 September 2023 comprise the company and its subsidiaries (together referred to as the "group"). See note 16 for a full list of subsidiaries.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Parent Company disclosure exemptions

In preparing the separate financial statements of the parent *Company*, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No Statement of Cash Flows has been presented for the parent *Company*;
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent *Company* as their remuneration is included in the totals for the *Company* as a whole.

The following principal accounting policies have been applied:

CARE UK PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Parent Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Care UK Holdings Limited as at 30 September 2021 and these financial statements may be obtained from Connaught House 850 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9QB.

2.3 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.4 Going concern

The Group's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Strategic Report on page 2. The Group has access to funds provided by Care UK Holdings Limited, a parent company.

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate following its going concern assessment.

Going concern assessment

Management have assessed the potential cash generation of the Group against a range of projected scenarios, including a severe but plausible downside scenario, which includes a reduction in occupancy and additional costs increases (through additional inflation, labour costs and increased interest costs). In all scenarios assessed, the Group was able to maintain sufficient liquidity to continue trading, generate positive EBITDA, and meet its covenant requirements.

Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

CARE UK PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rents received represent amounts due for the occupation of the group's properties under operating leases. Each agreement for lease and development contains an obligation on Care UK Property Holdings Limited to grant, and an obligation on Care UK Community Partnerships Limited to accept, a lease of the relevant site.

Under a Technical Services Agreement, each subsidiary that is constructing a home, contracts with Care UK Property Holdings Limited certain elements of its obligations. Care UK Property Holdings Limited then subcontracts these obligations to Care UK Community Partnerships Limited. In return for performing these services, both Care UK Property Holdings Limited and Care UK Community Partnerships receive a fee.

CARE UK PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.7 Operating leases: the Group as lessor

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

CARE UK PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.12 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.13 Intangible assets

Negative Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.14 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

CARE UK PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.14 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% on cost, less residual value of 30% or 10 years
Fixtures and fittings	- 7 years
Computer equipment	- 3 years
Assets in course of construction	- No depreciation is charged

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

As the properties are leased to other companies in the Group, section 16.4A(b) of FRS102 has been applied and accounts for the property using the cost model in line with FRS 102 section 17 (Property, Plant and Equipment).

2.15 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

The group has considered the impact of the current economic and market conditions in determining the current yield rates to use in considering the carrying value of the investment. These rates have been determined to be 4.85% and 5% depending on the status of the development. On this basis the carrying value is still appropriate. It has been noted that a drop in the yield rate may result in an impairment of the investments.

2.17 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

CARE UK PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.19 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.21 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

CARE UK PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.21 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.22 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

CARE UK PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with FRS 102 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year then ended. Management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.

Estimates are used in accounting for allowances for uncollectable receivables, depreciation, amortisation and impairment, pensions, taxes, provisions, and contingencies. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the year that an adjustment is determined to be required.

Management regularly discusses with the Group Audit Committee the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates.

Significant accounting judgements in applying the Company's accounting policies have been applied by the Company in order to prepare the consolidated financial statements with respect to the value of tangible assets (note 15).

Tangible assets

The group assesses tangible fixed assets where there are indications that the assets could be impaired. Indicators of impairment include factors internal and external to the organisation that suggest the asset's value may have declined. The calculation uses as estimate of rental yield to value the asset and this is compared to it's carrying value in the financial statements.

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £000	2022 £000
Property rental and service fees	3,726	5,062
	<u>3,726</u>	<u>5,062</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2023 £000	2022 £000
Profit / (Loss) on disposal of tangible assets	213	(276)
	<u>213</u>	<u>(276)</u>

CARE UK PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2023	2022
	£000	£000
Exchange differences	<u>5</u>	<u>3</u>

7. Auditor's remuneration

	2023	2022
	£000	£000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>136</u>	<u>311</u>

8. Employees

	Group	Group	Company	Company
	2023	2022	2023	2022
	£000	£000	£000	£000
Wages and salaries	<u>53</u>	<u>95</u>	<u>-</u>	<u>-</u>
	<u>53</u>	<u>95</u>	<u>-</u>	<u>-</u>

No staff or directors were directly employed by the Group or parent company for the period ended 30 September 2023.

The staff costs disclosed above are internally recharged to Care UK Property Holdings Limited and its subsidiaries and relate to staff directly employed by other Group companies outside of these consolidated financial statements.

The directors were employed and remunerated by other Group companies.

9. Interest receivable

	2023	2022
	£000	£000
Other interest receivable	<u>899</u>	<u>1,280</u>
	<u>899</u>	<u>1,280</u>

CARE UK PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

10. Interest payable and similar expenses

	2023	2022
	£000	£000
Bank interest payable	2,944	1,958
Amortisation of deferred financing costs	713	693
	<u>3,657</u>	<u>2,651</u>

11. Taxation

	2023	2022
	£000	£000
Foreign tax		
Foreign tax on income for the year	33	132
	<u>33</u>	<u>132</u>
Total current tax	<u>33</u>	<u>132</u>
Deferred tax		
Origination and reversal of timing differences	192	(537)
Changes to tax rates	-	67
Adjustments in respect of previous periods	223	-
Total deferred tax	<u>415</u>	<u>(470)</u>
Taxation on profit/(loss) on ordinary activities	<u>448</u>	<u>(338)</u>

CARE UK PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - *lower than*) the standard rate of corporation tax in the UK of 22% (2022 - 19%). The differences are explained below:

	2023 £000	2022 £000
Loss on ordinary activities before tax	(3,077)	(392)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 22% (2022 - 19%)	(677)	(74)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	(278)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	542	965
Adjustments to tax charge in respect of prior periods	223	(751)
Deferred tax asset lost on disposal of subsidiaries	-	55
Overseas tax on foreign subsidiaries	34	132
Changes in tax rates leading to an increase (decrease) in the tax charge	22	67
Group relief	304	(454)
Total tax charge for the year	448	(338)

In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the group's future tax charge.

The deferred tax balances have been calculated at the balance sheet date using the rate of 25%.

12. Dividends

	2023 £000	2022 £000
Dividends paid	-	1,630
	-	1,630

CARE UK PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

13. Non recurring items

	2023	2022
	£000	£000
Loss on disposal of subsidiaries	-	1,527
Impairment of goodwill	-	(1,273)
	<u>-</u>	<u>254</u>

14. Intangible assets

Group and Company

	Goodwill
	£000
Cost	
At 1 October 2022	(1,919)
At 30 September 2023	<u>(1,919)</u>
Amortisation	
At 1 October 2022	(1,882)
Charge for the year on owned assets	(5)
At 30 September 2023	<u>(1,887)</u>
Net book value	
At 30 September 2023	<u>(32)</u>
At 30 September 2022	<u>(37)</u>

CARE UK PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

15. Tangible fixed assets

Group

	Freehold property £000	Fixtures and fittings £000	Computer equipment £000	Assets in course of construction £000	Total £000
Cost or valuation					
At 1 October 2022	37,957	2,244	55	43,310	83,566
Additions	(361)	-	-	42,484	42,123
Disposals	(234)	-	-	-	(234)
Transfers between classes	39,882	2,423	75	(42,380)	-
At 30 September 2023	77,244	4,667	130	43,414	125,455
Depreciation					
At 1 October 2022	1,005	386	19	-	1,410
Charge for the year on owned assets	1,310	489	41	-	1,840
At 30 September 2023	2,315	875	60	-	3,250
Net book value					
At 30 September 2023	74,929	3,792	70	43,414	122,205
At 30 September 2022	36,952	1,858	36	43,310	82,156

CARE UK PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

16. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost	
At 1 October 2022	122,545
At 30 September 2023	122,545
Impairment	
At 1 October 2022	112,945
At 30 September 2023	112,945
Net book value	
At 30 September 2023	9,600
At 30 September 2022	9,600

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Care UK Property Limited	Same as parent company	Ordinary	100%
Care UK Developments Limited	Same as parent company	Ordinary	100%
Care UK Sarisbury Green Limited	Same as parent company	Ordinary	100%
Care UK Haywards Heath Limited	Same as parent company	Ordinary	100%
Care UK Cambridge Limited	Same as parent company	Ordinary	100%
Care UK Angmering Limited	Same as parent company	Ordinary	100%
Care UK Thame Limited	Same as parent company	Ordinary	100%
Care UK Dundee Limited	Same as parent company	Ordinary	100%

CARE UK PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

16. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Class of shares	Holding
Care UK Shrewsbury Limited	Same as parent company	Ordinary	100%
Care UK Wilmslow Limited	Same as parent company	Ordinary	100%
Care UK Tring Limited (formerly Care UK Corsham Limited)**	Same as parent company	Ordinary	100%
Care UK Cardiff Limited	Same as parent company	Ordinary	100%
Care UK Southampton Limited (formerly Care UK Hook Limited) **	Same as parent company	Ordinary	100%
Care UK Saffron Walden Limited **	Same as parent company	Ordinary	100%
Care UK Yate Limited	Same as parent company	Ordinary	100%
Care UK Wantage Limited	Same as parent company	Ordinary	100%
Care UK SPV Eight Limited	Same as parent company	Ordinary	100%
Care UK SPV Nine Limited *	Same as parent company	Ordinary	100%
Care UK Developments 3 Limited (formerly Care UK SPV Ten Limited) + **	Same as parent company	Ordinary	100%
Silver Sea Holdings Sarl	15, Boulevard F.W. Raiffeisen, L-2411 Luxembourg	Ordinary	100%
Silver Sea Property Holdings Sarl	Same as Luxembourg parent company	Ordinary	100%
Silver Sea Developments Sarl	Same as Luxembourg parent company	Ordinary	100%
Silver Sea Properties (Bromsgrove) Sarl ***	Same as Luxembourg parent company	Ordinary	100%
Silver Sea Properties (Cheadle) Sarl ***	Same as Luxembourg parent company	Ordinary	100%
Silver Sea Properties (Portobello) Sarl ***	Same as Luxembourg parent company	Ordinary	100%
Silver Sea Properties (Horndean) Sarl ***	Same as Luxembourg parent company	Ordinary	100%
Silver Sea Properties (Worcester) Sarl ***	Same as Luxembourg parent company	Ordinary	100%
Silver Sea Properties (St Ives) Sarl ***	Same as Luxembourg parent company	Ordinary	100%
Silver Sea Properties (Leamington Spa) Sarl ***	Same as Luxembourg parent company	Ordinary	100%
Silver Sea Properties (Murrayfield) Sarl ***	Same as Luxembourg parent company	Ordinary	100%
Silver Sea Properties (Whitstable) Sarl ***	Same as Luxembourg parent company	Ordinary	100%

CARE UK PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

16. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Class of shares	Holding
Silver Sea Properties (Ashford) Sarl ***	Same as Luxembourg parent company	Ordinary	100%
Silver Sea Properties (Hythe) Sarl ***	Same as Luxembourg parent company	Ordinary	100%
Silver Sea Properties (Sale) Sarl ***	Same as Luxembourg parent company	Ordinary	100%
Silver Sea Properties (Chester) Sarl ***	Same as Luxembourg parent company	Ordinary	100%

* This company is dormant for the period ended 30 September 2023. Dormant company accounts have been filed at Companies House.

** On 1 October 2023 the shareholdings in these companies were transferred outside this Group but retained within the wider Care UK group.

*** These companies were dissolved from the Luxembourg company register with effect from 28 October 2022.

+ On 25 September 2023 the shareholding in this company was transferred in from the wider Care UK Group.

CARE UK PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

17. Debtors

	Group		Company	
	2023	Group	2023	Company
	£000	2022	£000	2022
		£000		£000
Due after more than one year				
Amounts owed by group undertakings	8,178	-	8,178	-
Other debtors	2,610	3,384	-	-
Deferred tax asset	-	-	161	-
	10,788	3,384	8,339	-
Due within one year				
Trade debtors	1,342	885	-	-
Amounts owed by group undertakings	21,933	60,143	92,398	99,420
Other debtors	3,663	3,953	-	213
Prepayments and accrued income	166	2,278	-	44
Deferred taxation	-	355	-	161
	37,892	70,998	100,737	99,838

18. Cash and cash equivalents

	Group		Company	
	2023	Group	2023	Company
	£000	2022	£000	2022
		£000		£000
Cash at bank and in hand	17,191	5,804	9,393	1,281
	17,191	5,804	9,393	1,281

19. Creditors: Amounts falling due within one year

	Group		Company	
	2023	Group	2023	Company
	£000	2022	£000	2022
		£000		£000
Bank loans	564	2,041	(35)	-
Trade creditors	1,869	1,711	-	-
Amounts owed to group undertakings	-	-	9,213	-
Accruals and deferred income	3,396	3,561	286	395
	5,829	7,313	9,464	395

CARE UK PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

20. Creditors: Amounts falling due after more than one year

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Bank loans	65,440	42,156	(23)	-
	<u>65,440</u>	<u>42,156</u>	<u>(23)</u>	<u>-</u>

21. Loans

The loans have been secured on their respective care home developments. All loans are due for repayment by August 2025.

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Amounts falling due within one year				
Bank loans	564	2,041	(35)	-
	<u>564</u>	<u>2,041</u>	<u>(35)</u>	<u>-</u>
Amounts falling due 2-5 years				
Bank loans	65,440	42,156	(23)	-
	<u>65,440</u>	<u>42,156</u>	<u>(23)</u>	<u>-</u>
	<u>66,004</u>	<u>44,197</u>	<u>(58)</u>	<u>-</u>

CARE UK PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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22. Deferred taxation

Group

	2023 £000
At beginning of year	355
Charged to profit or loss	(415)
At end of year	(60)

Company

	2023 £000
At beginning of year	161
Charged to profit or loss	-
At end of year	161

	Group 2023 £000	<i>Group 2022 £000</i>	Company 2023 £000	<i>Company 2022 £000</i>
Accelerated capital allowances	(259)	155	-	-
Tax losses carried forward	199	200	161	161
	(60)	355	161	161

23. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
2 (2022 - 2) ordinary shares of £1 each	2	2

CARE UK PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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24. Reserves

Share premium account

Share premium account represents the premium above the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

25. Commitments under operating leases

At 30 September 2023 the Group and the Company had future minimum lease payments due to it under non-cancellable operating leases for each of the following periods:

	Group 2023 £000	<i>Group 2022 £000</i>
Not later than 1 year	4,636	<i>2,694</i>
Later than 1 year and not later than 5 years	21,626	<i>10,777</i>
Later than 5 years	100,752	<i>50,660</i>
	127,014	<i>64,131</i>

The group leases out its completed care home developments. At 30 September 2023 the group had future commitments receivable under non-cancellable operating leases as above. There are no contingent rents.

CARE UK PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

26. Related party transactions

The Company has a related party relationship with its subsidiaries and with its directors and executive officers.

Parent and Subsidiaries

The group centrally manages its financing arrangements. Amounts are transferred within the group, dependent on the operational needs of individual companies. The directors do not consider it meaningful to set out the gross amounts of transfers between individual companies. Similarly the directors do not consider it meaningful to set out the interest and dividend payments made within the group as these are a function of the group's central financing arrangements. There are no provisions or expenses recognised for doubtful debts with subsidiary undertakings.

Key Management and Personnel

The group and company have identified key management personnel as being the directors of the company and the members of the executive committee. All key personnel are remunerated through other companies.

Silver Sea Holdings

Prior to 31 July 2019, Silver Sea Holdings ("Silver Sea"), an independent development group, was a related party of Care UK Community Partnerships Limited, as it was jointly owned by Bridgepoint Europe IV (Nominees) Limited and the management of Care UK. On this date, Silver Sea was acquired by Care UK Property Holdings Limited, becoming part of the Care UK Holdings Limited group.

Trading

During the period rental income of £3,726,073 (2022: £5,062,435) was received from Care UK Community Partnerships Ltd, as a related party, due to being owned by a common parent company Care UK Holdings Ltd.

Additionally, a Technical Services Fee was also paid to Care UK Community Partnerships Limited in payment of services provided under the Technical Services Agreement.

Staff costs of £53,459 (2022: £98,351) were recharged to Care UK Property Holdings Limited and its subsidiaries by Care UK Community Partnerships Ltd.

Loan Arrangements

A loan of £13 million was made to Care UK Limited by the group. The amounts owed are unsecured and bear a fixed rate of 8.0%. During the period interest of £870,836 (2022: £1,279,791) was accrued and a repayment of £10m received. As at 30 September 2023 the loan balance was £8,178,010 (2022: £17,277,174).

27. Controlling party

The company is a wholly owned subsidiary of Care UK Care Midco Limited, which is registered in England and Wales. Care UK Midco Limited does not prepare group financial statements.

The Care UK Group's ultimate parent company is Care UK Holdings Limited, which is registered in England and Wales. The ultimate controlling party is Bridgepoint Europe IV (Nominees) Limited which is managed by Bridgepoint Advisers Limited.

Copies of the financial statements of Care UK Holdings Limited, which includes the consolidated results of this group, are available from the company's registered office at Connaught House, 850 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9QB.